





EY Payroll NewsFlash

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Maryland law establishes a paid family and medical leave insurance program with contributions due starting October 1, 2023

On April 9, 2022, the Maryland legislature enacted [SB 275](#) to establish a family and medical leave insurance program ([Time to Care Act of 2022](#)), overcoming Governor Larry Hogan's veto.

Effective October 1, 2023, employers with 15 or more employees must participate in the program, which is funded by contributions to be paid by employers and employees up to the Social Security wage base. On or before June 1, 2023, the Maryland Department of Labor will determine, through studies, the proportion of tax to be paid by employers and employees ranging from 25% to 75% of the tax for either party.

Alternatively, employers can provide paid family and medical leave benefits equal to or greater than the state fund to employees through a private employer plan consisting of employer-provided benefits, insurance, or combination of both.

Effective January 1, 2025, covered employees can receive up to 24 weeks if medical leave is needed for pregnancy and prenatal leave after childbirth or 12 weeks per year for the following:

- (1) To care for a child following his/her birth or adoption
- (2) To care for a family member with a serious health condition
- (3) To recover from the employee's own serious health condition
- (4) To care for a service member who is the covered individual's next of kin
- (5) To address the deployment of a service member who is a family member of the employee

Ernst & Young LLP insights

Maryland joins 10 other US jurisdictions that have adopted programs to provide paid family and medical leave insurance benefits to employees – California, Connecticut, Colorado, District of Columbia, Massachusetts, New Hampshire, New Jersey, Oregon, Rhode Island, and Washington.

For information concerning the taxation and reporting of paid family and medical leave insurance benefits, see our [special report](#).

Contact us for more information

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